

IT Value Matrix

Early in 2004 the Enterprise Architecture Review Board established a sub-committee to investigate how best to respond to the issue of IT Value. The question is a result of the 2003 Legislative session, where legislators were asking “what business functions benefit from the IT investments?” Members of the sub-committee were Roger Hertz, Department of Human Services, Cathy Forsch, Office of the Tax Commissioner, Doug Fiaman, Department of Transportation, Cher Thomas, Office of the Attorney General, and Don LeFleur, Office of the State Auditor.

This group developed the template found at the end of this document, it should be noted that the use of this template is optional, if you choose to present the information in a different format, fine. However it appears clear that the 2005 session will be looking for a link between the business functions and the IT investments.

As technology becomes an integral part of how we conduct business it may become harder to focus on what are the benefits of using technology vs. the benefits of complete the business function. For those functions the cost of technology has become the cost of doing business, much the same way the telephone, desk and chair are basic needs of an employee, and should be treated in the same manner.

In those areas of the business that technology is an integral part of the operation, general measurements may be used. These may include the cost of IT per employee, the cost of IT per function or any other measurement the agency desires.

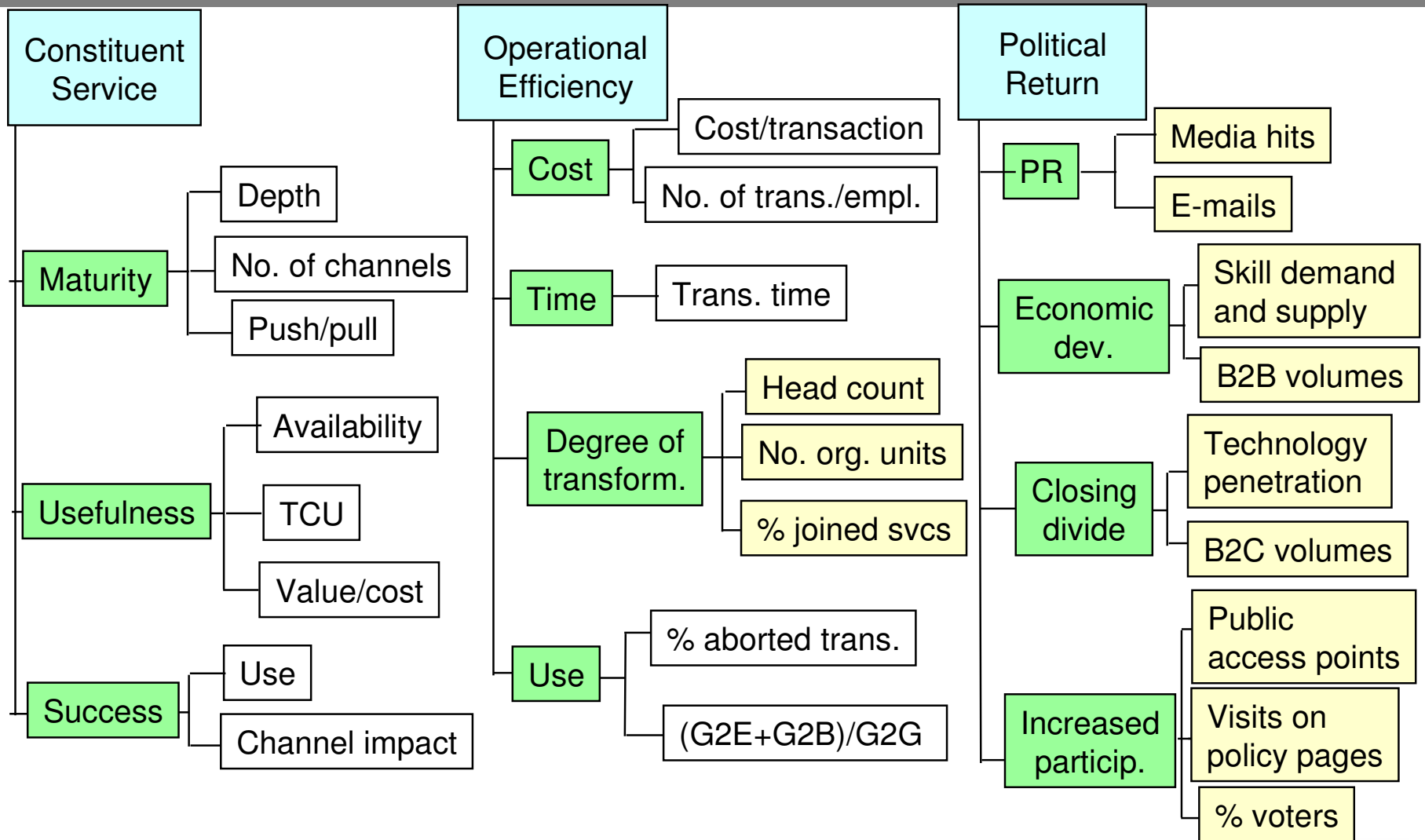
In the areas where the IT investment can be clearly tied to a specific function that the matrix gains its true value. Starting with the identified IT Activity and Investment in IT to support that activity, by expanding the view to Area, Business Objective, and Agency Goal, a meaningful measurement should be possible. Some examples include: IT cost per dollar collected, IT cost per benefit paid, IT cost per license issued, or any other measurement the agency wishes to use.

The key to remember with this matrix is it provides a consistent format for the agencies to use to communicate the business value being received from the IT Investment.

In a recent Gartner teleconference the following slide was presented, it includes some ideas on where technology benefits to government may be found. This information may be helpful as you prepare your value statements.

Government Technology

Where Are the Benefits?



Agency IT Value Matrix

Agency Philosophy

Agency Goal	Objective	Area	Activity	IT Value Measurement Description	IT Value Measurement	IT Investment

Agency Philosophy – Statement of purpose or mission, typically one per agency

Agency Goal – Short description of business goals of the agency, typically five to eight per agency

Objective – Description of business objectives to obtain business goals, may be multiples for each goal,

Area – Area or Division of the Agency involved in the Goal/Objective

Activity – IT activity that supports the objective, may be multiples for each objective.

IT Value Measurement Description – How does the agency measure the value of IT, may be multiples for each activity. Some examples include:

- IT Budget / Total Budget
- IT dollar per dollar collected
- IT dollar per highway mile
- IT dollar per case handled
- Any other measurement that helps people understand how the IT expenditures benefit the agency and thus the state.

IT Value Measurement – The numeric value of the measurement described in the pervious column.